



Budget projection through fiscal year ending June 30, 2017

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GENERAL FUND BUDGET PROJECTION FISCAL YEAR ENDING JUNE 30, 2017

PROJECTION ASSUMPTIONS

1. Projected based on the 2016 budget with the following assumptions.
2. Property tax revenue includes a general 2% increase in real property taxable value assumption. Personnel property tax revenue is affected by the beginning of exemptions from the personal property tax legislation that was passed in 2014. Total property tax revenue is estimated to increase by \$151,329. Due to the personal property tax legislation previously discussed, the portion of the City's revenue that is received through personal property taxes and any reimbursement from the State of Michigan is expected to decline by \$161,612. If personal property tax revenue had increased by the same 2% as is projected for real property taxes, an additional \$196,787 in revenue would be available to fund City operations and capital projects.
3. Revenue sharing is estimated to increase 2% to \$1.982 million.
4. Interest income is expected to increase from \$50,000 to \$100,000 as interest rates are projected to begin increasing in late 2015 or early 2016.
5. A 2% wage increase is included for projection purposes for all full-time and regular part-time employees.
6. Retiree healthcare – the annual required contribution (ARC) for fiscal year 2016-2017 has been calculated in the amount of \$3.963 million, an increase of \$317,000 from the prior year. The ARC is projected to be fully funded with \$2.739 million being funded by the General Fund.
7. Employee pensions – the projection includes full funding of the annual required contribution as calculated by the systems actuary in the amount of \$1.845 million, an increase of \$150,000. The General Fund portion of the contribution is \$1.774 million, a \$147,000 increase.
8. Health insurance – a 3.5% increase in cost is included. All groups now comply with hard cap limits in the state statute.
9. Full-time employment positions remain the same from the fiscal year 2016 budgeted level of 173.3 full-time equivalent employees.
10. The City subsidy to the Monroe Multi-Sports Complex is projected at the same level as the 2016 adopted budgeted of \$127,813.
11. Capital funding was projected to remain at the 2016 funding level. The amount included in the projection is \$920,500.
12. Other miscellaneous operating line item adjustments were made for inflation purposes, such as utilities.

PROJECTION SUMMARY

The budget adopted for the General Fund for the June 30, 2016 fiscal year budgets expenditures in the amount of \$18,571,352 and expenditures equal budgeted revenues.

The projection for the General Fund for the June 30, 2017 fiscal year projects expenditures of \$19,129,425, a 3.0% increase. The expenditures exceed revenues by \$281,564. This projection was done for the purposes of planning and projecting, not for the creation of a budget. In general, the projection looks at rolling the current budget forward one year with known changes implemented, but the remaining items are held at the status quo. The deficit amount will need to be dealt with as a part of budget discussions that will occur in March and April 2016.

**GENERAL FUND BUDGET PROJECTION
FISCAL YEAR ENDING JUNE 30, 2017**

	Actual 2013-14	Actual 2014-15	Adopted Budget 2015-16	Projection 2016-17
REVENUE				
Property Taxes	\$ 13,047,325	\$ 13,490,016	\$ 14,032,829	\$ 14,184,158
Licenses and Permits	36,555	46,465	40,350	51,435
Federal and State Revenue	1,919,932	1,959,747	2,033,850	2,061,403
Charges for Services	1,737,190	1,710,140	1,918,498	1,925,925
Fines and Forfeitures	97,701	78,271	90,500	90,500
Investment Income	57,730	68,192	50,000	100,000
Rental Income	56,793	61,022	62,125	63,240
Other Revenue	368,371	395,192	343,200	371,200
Transfers In	10,000	-	-	-
TOTAL REVENUES	\$ 17,331,597	\$ 17,809,045	\$ 18,571,352	\$ 18,847,861
EXPENDITURES				
GENERAL GOVERNMENT				
City Council	\$ 104,978	\$ 107,514	\$ 127,444	\$ 128,843
City Manager	300,269	280,336	367,081	422,249
Assessor	365,914	361,323	377,321	390,960
Attorney	133,479	139,048	140,662	140,662
Clerk-Treasurer	458,549	490,225	499,580	518,320
Finance	392,719	364,396	409,689	419,380
Human Resources	247,662	313,197	267,388	278,766
Engineering	284,541	339,122	290,001	328,044
City Hall Grounds	243,388	261,623	281,480	285,500
TOTAL GENERAL GOVERNMENT	2,531,499	2,656,784	2,760,646	2,912,724
PUBLIC SAFETY				
Public Safety - Police and Fire	9,048,786	9,284,053	9,750,654	10,158,517
Zoning/Code Enforcement	133,818	173,226	232,047	234,461
TOTAL PUBLIC SAFETY	9,182,604	9,457,279	9,982,701	10,392,978
PUBLIC WORKS	2,058,085	2,192,943	1,911,940	1,963,727
COMMUNITY DEVELOPMENT	254,884	246,832	299,548	311,852
CULTURAL-RECREATION				
Library	57,500	57,500	57,500	57,500
Social Services	140,000	140,000	140,000	140,000
Public Access TV	159,713	168,295	163,000	172,500
Parks and Recreation	1,436,746	1,431,102	1,851,475	1,887,147
TOTAL CULTURAL-RECREATION	1,793,959	1,796,897	2,211,975	2,257,147
CONTINGENCIES	-	-	264,005	150,000
DEBT SERVICE	70,650	186,155	191,037	190,497
OTHER	-	-	-	-
TRANSFERS OUT	1,190,428	970,023	949,500	950,500
TOTAL EXPENDITURES	\$ 17,082,109	\$ 17,506,913	\$ 18,571,352	\$ 19,129,425
REVENUE OVER(UNDER) EXPENDITURES	\$ 249,488	\$ 302,132	\$ -	\$ (281,564)
BEGINNING FUND BALANCE	\$ 3,540,729	\$ 3,790,217	\$ 4,092,349	\$ 4,092,349
ESTIMATED ENDING FUND BALANCE	\$ 3,790,217	\$ 4,092,349	\$ 4,092,349	\$ 3,810,785
LESS UNSPENDABLE FUND BALANCE	394,866	381,227	381,227	381,227
ADD BUDGET STABILIZATION FUND BALANCE	2,000,000	2,000,000	2,000,000	2,000,000
ESTIMATED UNRESTRICTED FUND BALANCE	\$ 5,395,351	\$ 5,711,122	\$ 5,711,122	\$ 5,429,558
UNRESTRICTED AS A PERCENTAGE OF EXPENDITURES	31.58%	32.62%	30.75%	28.38%